

State: Pennsylvania **Filing Company:** Lincoln Benefit Life Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
Product Name: Senior Linc Premier
Project Name/Number: /

Filing at a Glance

Company: Lincoln Benefit Life Company
 Product Name: Senior Linc Premier
 State: Pennsylvania
 TOI: LTC03I Individual Long Term Care
 Sub-TOI: LTC03I.001 Qualified
 Filing Type: Rate - M.U. (Medically underwritten)
 Date Submitted: 11/08/2017
 SERFF Tr Num: LFCR-131261953
 SERFF Status: Assigned
 State Tr Num: LFCR-131261953
 State Status: Received Review in Progress
 Co Tr Num: PA LB-7000 2014 RATE INCREASE REFILING

Implementation: On Approval
 Date Requested:
 Author(s): Scarlett Nazari, Anoush Chngidakyan, Darlene Smith
 Reviewer(s): Jim Laverty (primary)
 Disposition Date:
 Disposition Status:
 Implementation Date:

State Filing Description:
 Proposed 15% increase on 85 policyholders of Lincoln Benefit's individual LTC forms LB-7000-P-PA(Q)&(NQ), LB-7001-P-PA(Q)&(NQ), LB-7002-P-PA(Q)&(NQ), and LB-7003-P-PA(Q)&(NQ).

State: Pennsylvania **Filing Company:** Lincoln Benefit Life Company
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General Information

Project Name:	Status of Filing in Domicile: Authorized
Project Number:	Date Approved in Domicile: 11/26/2014
Requested Filing Mode: Review & Approval	Domicile Status Comments:
Explanation for Combination/Other:	Market Type: Individual
Submission Type: New Submission	Individual Market Type:
Overall Rate Impact:	Filing Status Changed: 11/09/2017
	State Status Changed: 11/09/2017
Deemer Date:	Created By: Darlene Smith
Submitted By: Darlene Smith	Corresponding Filing Tracking Number:
	State TOI: LTC03I Individual Long Term Care

Filing Description:
Please see Transmittal Letter in Supporting Documentation

Company and Contact

Filing Contact Information

Scarlett Nazari, Manager Product Filing	scarlett.nazari@lifecareassurance.com
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Woodland Hills, CA 91365-4243	818-867-2508 [FAX]

Filing Company Information

(This filing was made by a third party - LCA01)

Lincoln Benefit Life Company	CoCode: 65595	State of Domicile: Nebraska
Long Term Care Administrative Office	Group Code: 4815	Company Type:
P.O. Box 4243	Group Name:	State ID Number:
Woodland Hills, CA 91365-4243	FEIN Number: 47-0221457	
(818) 867-2450 ext. [Phone]		

Filing Fees

Fee Required? No
 Retaliatory? No
 Fee Explanation:

State: Pennsylvania Filing Company: Lincoln Benefit Life Company
 TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.001 Qualified
 Product Name: Senior Linc Premier
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Rate Information

Rate data applies to filing.

Filing Method: SERFF
 Rate Change Type: Increase
 Overall Percentage of Last Rate Revision: 20.000%
 Effective Date of Last Rate Revision: 09/11/2015
 Filing Method of Last Filing: SERFF

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Lincoln Benefit Life Company	15.000%	15.000%	\$41,976	85	\$279,837	15.000%	15.000%

SERFF Tracking #:

LFCR-131261953

State Tracking #:

LFCR-131261953

Company Tracking #:PA LB-7000 2014 RATE INCREASE
REFILING**State:**

Pennsylvania

Filing Company:

Lincoln Benefit Life Company

TOI/Sub-TOI:

LTC03I Individual Long Term Care/LTC03I.001 Qualified

Product Name:

Senior Linc Premier

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/

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		LBL 7000 Rate Increase Act Memo Attachment PA	LB-7000-P-PA(Q)&(NQ), LB-7001-P-PA(Q)&(NQ), LB-7002-P-PA(Q)&(NQ), LB-7003-P-PA(Q)&(NQ), LB-7000-R1-PA, LB-7000-R2-PA, LB-7000-R3-PA, LB-7000-R4-PA, LB-7000-R5-PA, LB-7000-R6-PA, LB-7000-R7-PA, LB-7000-R8-PA(Q)&(NQ), LB-7000-R9-PA(Q)&(NQ), LB-7000-R10-PA	New		LBL 7000 Rate Increase Act Memo Attachment PA.xlsx,

SERFF Tracking #:	LFCR-131261953	State Tracking #:	LFCR-131261953	Company Tracking #:	PA LB-7000 2014 RATE INCREASE REFILING
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State:	Pennsylvania	Filing Company:	Lincoln Benefit Life Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.001 Qualified		
Product Name:	Senior Linc Premier		
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Attachment LBL 7000 Rate Increase Act Memo Attachment PA.xlsx is not a PDF document and cannot be reproduced here.

SERFF Tracking #:

LFCR-131261953

State Tracking #:

LFCR-131261953

Company Tracking #:

PA LB-7000 2014 RATE INCREASE
REFILING

State:

Pennsylvania

Filing Company:

Lincoln Benefit Life Company

TOI/Sub-TOI:

LTC03I Individual Long Term Care/LTC03I.001 Qualified

Product Name:

Senior Linc Premier

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/

Supporting Document Schedules

Satisfied - Item:	Transmittal Letter (A&H)
Comments:	
Attachment(s):	LB-7000 Filing Cover Letter PA.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Certification (A&H)
Bypass Reason:	Please see Actuarial Memorandum
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum and Explanatory Information (A&H)
Comments:	
Attachment(s):	LB-7000 Rate Filing Actuarial Memo PA.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Advertisements (A&H)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Authorization to File (A&H)
Comments:	
Attachment(s):	LBL-7000 TPA letter.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Insert Page Explanation (A&H)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

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Satisfied - Item:	Rate Table (A&H)
Comments:	Rate Table is attached in the Rate/Rule Schedule
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Replacement Form with Highlighted Changes (A&H)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Reserve Calculation (A&H)
Bypass Reason:	Please see Rate/Rule Schedule
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Variability Explanation (A&H)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Policyholder Notice
Comments:	
Attachment(s):	Customer Notice and Election Form.pdf
Item Status:	
Status Date:	

November 6, 2017

Jessica Altman, Commissioner
Pennsylvania Insurance Department
1326 Strawberry Square
Harrisburg, Pennsylvania 17120

Re: Lincoln Benefit Life Company
NAIC No: 65595
Policy Forms: LB-7000-P-PA(Q) & (NQ), LB-7001-P-PA(Q) & (NQ),
LB-7002-P-PA(Q) & (NQ), LB-7003-P-PA (Q) & (NQ),
Guaranteed Renewable Long Term Care Policy

Dear Commissioner Altman:

This rate filing is submitted on behalf of Lincoln Benefit Life Company for your review.

Forms LB-7000-P-PA(Q) & (NQ), LB-7001-P-PA(Q) & (NQ), LB-7002-P-PA(Q) & (NQ), and LB-7003-P-PA (Q) & (NQ) are existing individual policy forms providing benefits for confinement in a qualified Nursing Facility, Assisted Living Facility, or for Home Health Care. These forms were approved in 2004 and issued between 2004 and 2006. They are no longer being marketed in any state.

Previously, the company requested an increase of 35% on this block of business, and a 20% increase was granted on June 19, 2015 and implemented on September 11, 2015. The company is now requesting the approval of a 15% rate increase on the base rates. The details of the rate increase are in the actuarial memorandum.

The company will provide several options to the policyholders to reduce the impact of the rate increase:

- Reduce the daily benefits, subject to a minimum of \$20
- Change benefit options to lower the premium
- Offer a paid up option which provides a benefit pool equal to the premiums paid

The following items are included in this submission:

- This cover letter
- A letter from Lincoln Benefit Life Company authorizing us to submit this filing on their behalf
- An actuarial memorandum and rate schedules
- Policyholder Notice of Rate Increase Letter & Coverage Change Request Form
- Plus any other state required forms

The contact person for this filing is:

Xiaoyan Song, FSA, MAAA, FLMI, LTCP
Consulting Actuary
21600 Oxnard Street, Suite 1500
Woodland Hills, CA 91367
800-366-5463 ext. 2232
Xiaoyan.Song@LifeCareAssurance.com

Thank you for your assistance in reviewing this filing.

Sincerely,

A handwritten signature in black ink, appearing to read 'Xiaoyan Song', written over a light gray rectangular background.

Xiaoyan Song, FSA, MAAA, FLMI, LTCP
Consulting Actuary

Lincoln Benefit Life Company

Home Office: 2940 South 84th Street, Lincoln, NE 68506-4142

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Administrative Office: Post Office Box 4243

Woodland Hills, California 91365-4243

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Long Term Care Insurance Policy:	Form LB-7000-P-PA(Q)&(NQ)
Nursing Care Only Insurance Policy:	Form LB-7001-P-PA(Q)&(NQ)
Franchise Long Term Care Insurance Policy:	Form LB-7002-P-PA(Q)&(NQ)
Franchise Nursing Care Only Insurance Policy:	Form LB-7003-P-PA(Q)&(NQ)
Limited Return of Premium Benefit Rider:	Form LB-7000-R1-PA
Full Return of Premium Benefit Rider:	Form LB-7000-R2-PA
Shortened Benefit Period Nonforfeiture Rider:	Form LB-7000-R3-PA
Compound Benefit Increase Rider:	Form LB-7000-R4-PA
Simple Benefit Increase Rider:	Form LB-7000-R5-PA
Home & Community Based Care Waiver of Premium Benefit Rider:	Form LB-7000-R6-PA
Weekly Home & Community Based Care Benefit Rider:	Form LB-7000-R7-PA
Home & Community Based Care Indemnity Rider:	Form LB-7000-R8-PA(Q)&(NQ)
Family Caregiver Benefit Rider:	Form LB-7000-R9-PA(Q)&(NQ)
Full Shortened Benefit Period Nonforfeiture Rider:	Form LB-7000-R10-PA

These forms and riders were issued in Pennsylvania from 2004 through 2006. The above policies and riders are no longer being marketed in Pennsylvania.

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Actuarial Memorandum

November 2017

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Actuarial Memorandum Exhibits

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1. Purpose of Filing

This actuarial memorandum has been prepared for the purpose of documenting the rates, demonstrating that the anticipated loss ratio of these products with those rates meets the minimum requirements in the statutes of Pennsylvania. It may not be suitable for other purposes.

2. Requested Rate Increase

The company is requesting an increase, which does not vary by policy form or issue age. Experience termination rates for inforce policies and policies in claim status are lower than expected, resulting in expected loss ratios which would not be sustainable under the current premiums.

The base rate increase is 15% for all policies. The new premium for any contract is equal to the product of the contract's current premium and one plus the base premium increase percentage.

Rate increase impact exhibits are in attachment A.

3. Premiums

Premiums are unisex, level and payable as a single premium or for either ten years or life. For each policy form, the premiums vary by issue age, initial daily benefit, benefit period, elimination period, risk class, individual vs. joint coverage and the riders selected. Paid-up policies will not be affected by the proposed rate schedule change.

Please see attachments B1.1-B3 for rates:

- B1.1 LB-7000-P-PA(Q), LB-7001-P-PA(Q) current rates
- B1.2 LB-7000-P-PA(Q), LB-7001-P-PA(Q) proposed rates
- B1.3 LB-7002-P-PA(Q), LB-7003-P-PA(Q) current rates
- B1.4 LB-7002-P-PA(Q), LB-7003-P-PA(Q) proposed rates
- B2.1 LB-7000-P-PA(NQ), LB-7001-P-PA(NQ) current rates
- B2.2 LB-7000-P-PA(NQ), LB-7001-P-PA(NQ) proposed rates
- B2.3 LB-7002-P-PA(NQ), LB-7003-P-PA(NQ) current rates

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- B2.4 LB-7002-P-PA(NQ), LB-7003-P-PA(NQ) proposed rates
B3 LB-7000-P-PA(Q) & (NQ), LB-7001-P-PA(Q) & (NQ), LB-7002-P-PA(Q) & (NQ),
LB-7003-P-PA(Q) & (NQ) proposed increase

4. Description of Benefits

Long Term Care Policy

BASE POLICY BENEFITS PER (\$10.00) UNIT OF COVERAGE

- a. Nursing Care Benefit (NC) - \$10.00 per day for Nursing Care, (including skilled, intermediate and custodial care) while confined in a qualified Nursing Care Facility or Assisted Living Facility and Maintenance or Personal Care performed in an Assisted Living Facility. Benefits paid are deducted from the Benefit Amount for Nursing Care.
- b. Home and Community Based Care (HCBC) - Actual expenses incurred up to \$10.00 per day. Coverage is provided for Home Health Care (services performed through a home care agency or individual home health caregiver including professional nursing care, therapeutic care, services provided by a home health aide, dietician or homemaker services) Adult Day Care, Hospice Care and Caregiver Training. The Caregiver Training benefit payable is a maximum lifetime benefit equal to three times the Daily Benefit selected. Benefits paid are deducted from the Benefit Amount for Home and Community Based Care.
- c. Nursing Care Bed Reservation Benefit - \$10.00 per day to reserve a bed in a Nursing Care Facility or Assisted Living Facility during a temporary absence from the facility. Benefit is payable up to 30 days per calendar year. Benefits paid are deducted from the Benefit Amount for Nursing Care.
- d. Respite Care - \$10.00 per day for Nursing Care or actual expenses incurred up to \$10 per day for Home and Community Based Care payable as short term care to relieve primary caregiver. Benefit is payable up to 30 days per calendar year. Benefits paid are deducted from the appropriate Benefit Amount for either Nursing Care or Home and Community Based Care.
- e. Alternative Plan of Care Benefit - Provides medical and nonmedical benefits not specifically described

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under the policy, agreed upon by the insured, Licensed Health Care Practitioner and the Company, which may include equipment purchases or rentals; permanent or temporary modifications to the insured's residence (such as ramps or rails) or care services not normally covered under the Home and Community Based Care. The Alternative Plan of Care is not available for providing Home and Community Based Care on Nursing Care only policies.

- f. Personal Care Advisor - accessible through toll-free telephone number, is available to insured to provide assistance with any questions about their coverage. Benefit Amounts are not reduced by services received under this benefit.

- g. Care Coordination – After contact with a Personal Care Advisor, if an insured requires additional assistance, a care coordinator who is a Licensed Health Care Practitioner will be provided. Services include assistance in developing a Plan of Care, arranging and monitoring care and assistance with claims documentation. Benefit Amounts are not reduced by services received under this benefit.

- h. Waiver of Premium is provided when benefits become payable in a Nursing Care Facility or an Assisted Living Facility. The waiting period for Waiver of Premium is the Elimination Period under the policy. Premiums already paid, but not earned will be refunded on a pro-rata basis.

Nursing Care Only Policy: This policy provides all of the above-mentioned benefits **except** Home and Community Based Care benefits.

OPTIONAL BENEFITS

Optional riders may include full/limited return of premium, shortened benefit period nonforfeiture, full shortened benefit period nonforfeiture, compound/simple benefit increase, weekly home and community based care, waiver of premium, indemnity, and family caregiver benefits.

5. Marketing Method

These policy forms were marketed by individual agents of Lincoln Benefit Life Company.

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6. Underwriting Description

These policy forms were fully underwritten with the use of various underwriting tools in addition to the application, which may have included medical records, an attending physician's statement, telephone interview and/or face-to-face assessment.

7. Renewability

These policies are guaranteed renewable for life.

8. Applicability

This filing is applicable to all in force policies issued in Pennsylvania on the above referenced forms. Since these forms and riders are no longer being sold, the rate increase will only apply to in force policies.

9. Actuarial Assumptions

a. Lapse and rate increase impact

Attachment C includes a comparison of original pricing, actual, and best estimate voluntary lapse rates.

Original Pricing: ultimate lapse rate 3.50%

Best Estimate: ultimate lapse rate 0.75%

Rate increase impact assumptions:

- Half of the premium increase is assumed to occur in 2017, and the other half in 2018.
- An extra 3% of the policyholders with a rate increase are assumed to lapse.
- 11% of the policyholders with a rate increase are assumed to keep their premium level and reduce their benefit proportionally.

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b. Mortality

Attachment D1 includes a comparison of original pricing, experience and best estimate mortality.

Original Pricing: 1975-80 Select and Ultimate

Best Estimate: Attained age mortality is 85% of the 1994 Group Annuity Mortality Table for ages 85 and younger and grade to 100% of the 1994 Group Annuity Mortality Table at age 90 and older, with duration selection factors varied by joint vs. single, shown in attachment D2.

c. Claims

Attachment E1.1 compares best estimate with original pricing ultimate unisex incidence rates. It also includes inforce adjustment factors.

Inforce Adjustment Factors are used to account for the fact that inforce counts are not reduced by claim incidence. The factor applied to the incidence varies by attained age and duration of the policy.

Attachment E2.1 shows the comparison of actual and expected (original pricing) incidence.

Attachment E1.2 includes the comparison of best estimate and original pricing length of stay for lifetime benefit period, 90 day elimination period policies with and without 5% Compound COLA. The best estimate claim length of stay is based on SOA 1984-2007 LTC Intercompany Study Report and reinsurer's experience.

Attachment E2.2 shows the actual to expected (original pricing) claim termination rate.

Original Pricing Claim Costs for skilled, intermediate aid Facility Care Benefits are derived from The Reports of the Society of Actuaries based on the 1985 National Nursing Home Survey Utilization Data in Transactions, Society of Actuaries, 1988-89-90 Reports; and the Long Term Care Intercompany Study: 1984-1991 Experience in Transactions, Society of Actuaries, 1993-94 Reports. Claim costs factors shown in the original actuarial memorandum are applied to the inforce lives and represent the expected cost per life of incurred benefits.

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Claim costs for Home and Community Based Care are decreasing percentages of Nursing Care claim costs derived from information provided by a reinsurer.

Claim costs for the Shortened Benefit Period Nonforfeiture Rider, the Full Shortened Benefit Period Nonforfeiture Rider, the Full Return of Premium Rider, and the Limited Return of Premium Rider are developed by using mortality rates and nonforfeiture benefits appropriate at each duration.

For the Benefit Increase Riders, the foregoing claim costs are increased by 5% each duration (simple interest rider) or compounded by 5% each duration (compound interest rider) to obtain the actual claim costs by duration.

Claim costs were adjusted to accommodate the Waiver of Premium, which is treated as an increment of the daily benefit.

Joint claim cost factors:

Original Pricing:	170% of the individual claim costs
Best Estimate:	72% of the claim costs of each insured

Underwriting selection factors:

Original Pricing:	10%, 20%, 40%, 60%, 80%, 100% durations 6 & later
Best Estimate:	10%, 20%, 40%, 60%, 80%, 100% durations 6 & later

d. Interest

Original Pricing:	6.5%
Best Estimate:	5%

e. Expenses

Expenses have not been explicitly projected. It is assumed that the originally filed expenses assumptions remain appropriate.

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10. Issue Age Range

The issue ages are from 18 to 84 on an age nearest birthday basis.

11. Claim Liability and Reserves

Active life reserves have not been used in this rate increase analysis. Claim reserves as of December 31, 2016 have been discounted to the incurral date of each respective claim and included in historical incurred claims. Incurred but not reported reserve (IBNR) balances as of December 31, 2016 have been allocated to a calendar year of incurral and included in historical incurred claims. Paid claims have been discounted to the incurral date and included in historical incurred claims. Claim Reserves are calculated for active and pending claimants as present value of benefit payments discounted by interest and terminations. The IBNR is based on lag factors which are applied to the claim reserves and survivor payments based on the difference between the incurral date and the valuation date.

12. Trend Assumptions

As this is not medical insurance, we have not included any explicit medical cost trends in the projections.

13. Past and Future Policy Experience

Earned premiums and incurred claims for projection years 2017 through 2056 are developed from a projection model representing actual contracts in force as of December 31, 2016. The assumptions described above for morbidity, voluntary lapse and mortality are used to project life years, earned premiums and incurred claims.

Nationwide and statewide historical experience and projections without and with proposed rate increase are shown as follows:

Nationwide: Attachment F

Pennsylvania: Attachment G

A future annual loss ratio is calculated, with and without interest, as anticipated incurred claims divided by earned

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premiums. A lifetime loss ratio as of December 31, 2016 is calculated as the sum of accumulated past experience and discounted future experience where accumulation and discounting occur at 5%.

14. History of Previous Rate Revisions

A 20% rate increase was approved for this policy form on June 19, 2015.

15. Analysis Performed

The initial premium schedule was based on pricing assumptions deemed appropriate when the initial rate schedule was developed.

As part of the inforce management of the business, LifeCare Assurance Company and the reinsurer on the business monitor the performance of the business by completing periodic actual-to-expected analysis for mortality, claim incidence, and claim length of stay. A study of actual voluntary lapse rates is also performed periodically. The findings from these analyses were used in projecting the inforce business to determine the effect of experience on the projected lifetime loss ratio.

Attachments C, D1, E2.1 and E2.2 compare experience results with pricing expected assumptions. Attachments H1 and H2 compare historical and projected (based on best estimate assumptions) lifetime cumulative loss ratios with pricing expected cumulative loss ratios.

Nationwide historical and projected lifetime cumulative loss ratio compared with pricing expected cumulative loss ratio:

All Pay Types: Attachment H1

Pennsylvania historical and projected lifetime cumulative loss ratio compared with pricing expected cumulative loss ratio:

All Pay Types: Attachment H2

In order to analyze the change in expectation from the original pricing assumptions, the cumulative loss ratios are

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discounted back to duration 1 in exhibits H1 and H2. The actual/best estimate cumulative loss ratio is discounted by 5% (best estimate assumption) and the pricing expected cumulative loss ratio is discounted by 6.5% (original pricing assumption).

Because of the low termination rates, a significantly greater risk exposure is expected in the later durations, which is reflected in the nationwide lifetime 132% actual to expected cumulative loss ratio in exhibit H1.

16. Loss Ratio Requirement Compliance Demonstration

Historical and projected experience using current best estimates are shown in the following exhibits:

Attachment F: Nationwide

Attachment G: Pennsylvania

In all projections the accumulated lifetime loss ratios exceed the minimum loss ratio requirements, both with and without the requested rate increase.

Attachment J provides a demonstration that the sum of the accumulated value of incurred claims without the inclusion of active life reserves, and the present value of future projected incurred claims, without the inclusion of active life reserves, will not be less than the sum of the following:

- a. Accumulated value of the initial earned premium times 58%,
- b. 85% of the accumulated value of prior premium rate schedule increases,
- c. Present value of future projected initial earned premiums times 58%, and
- d. 85% of the present value of future projected premiums in excess of the projected initial earned premiums.

Present and accumulated values in the lifetime projections in Attachment J are determined at 4.5%, the maximum valuation interest rate for contract reserves applicable to long-term care business issued in the years in which the applicable business of this filing were issued.

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17. Proposed Effective Date

This rate increase will apply to policies on their policy anniversary date following at least a 60-day policyholder notification period after approval.

18. Nationwide Distribution of Business (Based on Policy Count and Premium)

As of December 31, 2016, the number of policies in force that will be affected by this increase, by policy form and in aggregate is shown in the following attachments:

Nationwide distribution: Attachment I1

Pennsylvania distribution: Attachment I2

Lincoln Benefit Life Company

Home Office: 2940 South 84th Street, Lincoln, NE 68506-4142

Company NAIC No. 65595

Administrative Office: Post Office Box 4243

Woodland Hills, California 91365-4243

Actuarial Memorandum

November 2017

19. Actuarial Certification

I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries, and I meet the Academy's qualification standards for preparing health rate filings.

I believe this rate filing is in compliance with the applicable laws of the State of Pennsylvania and with the rules of the Department. This memorandum has been prepared in conformity with all applicable Actuarial Standards of Practice, including ASOP No. 8.

The data used to develop this actuarial memorandum was provided by LifeCare Assurance Company, the administrator of the policies, and Employers Reassurance Corporation, a reinsurer of the business. I have reviewed the data for reasonableness.

To the best of my knowledge and judgment, I hereby certify that:

- this rate submission is in compliance with the applicable laws and regulations of the state where it is filed;
- Policy design, underwriting, and claims adjudication practices have been taken into consideration;
- the rates are not unfairly discriminatory and the gross premiums are not excessive and bear reasonable relationship to the benefits, based on the lifetime loss ratio exceeding the minimum loss ratio requirement; and
- the relationship between renewal premium rate schedules and new business premium rate schedules is not applicable because the company is no longer marketing new business in any states.



Xiaoyan Song, FSA, MAAA, FLMI, LTCP
Consulting Actuary

August 15, 2016

Mr. Jay R. Peters, FSA, MAAA
Executive Vice President and Chief Actuary
LifeCare Assurance Company
21600 Oxnard Street, Suite 1500
Woodland Hills, CA 91367

Re: LINCOLN BENEFIT LIFE COMPANY
NAIC # 65595
FEIN # 47-0221457

Dear Mr. Peters,

This letter gives LifeCare Assurance Company the authorization to submit the rate filing for review and approval for the LBL-7000 series LTC products, as well as all associated forms and materials, for, and in the name of, Lincoln Benefit Life Company.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joseph Rafson', with a long horizontal flourish extending to the right.

Joseph Rafson
Vice President & Appointed Actuary
Lincoln Benefit Life Company

LINCOLN BENEFIT LIFE

DATE

OWNER NAME
ADDRESS
ADDRESS

POLICY NUMBER

Notice of Premium Rate Increase

Re: Lincoln Benefit Life Company Long-Term Care Insurance Policy POLICY NUMBER

The purpose of this letter is to advise you that premiums are being raised on all policies like yours. The premium for your long-term care insurance policy will increase effective Month XX, 20YY, your next policy anniversary date. As a result, your [modal] premium payment will increase from \$xxx.xx to \$yyy.yy, beginning with the premium payment that is due Month XX, 20YY. As an alternative to paying a higher premium, however, you may choose among policy adjustment options, which are explained below.

Please be assured that this premium increase in no way affects the integrity of your policy, nor is it based on any individual claims history, age, health status, or any other factor related to you personally. Unfortunately, the need for rate increases on long-term care policies is widespread in the insurance industry. However, Lincoln Benefit Life Company remains committed to meeting your long-term care protection needs. In order to lessen the impact of this rate increase on our customers, Lincoln Benefit Life has sought state approval for the smallest increase necessary. We will continue to monitor experience on policies such as yours and will implement future rate actions only if experience proves this to be necessary.

Because we realize that paying an increased rate may not be financially feasible for all of our customers, we are providing options to help you maintain coverage. A long-term care policy represents an important component of a sound financial plan, so you should carefully consider which option best suits your individual circumstances and anticipated future needs. Before you adjust your benefits or decide to forgo this coverage completely, you should discuss options with your financial advisor. Please keep in mind if you reduce your benefits, you may be unable to increase them in the future.

- **Benefit Reduction:** By reducing your daily maximum benefit from \$xxx.xx to \$yyy.yy, your [modal] premium would be \$zzz.zz. This is approximately the same rate you are currently paying for your policy. If your policy provides home and community based care benefits, that daily benefit is reduced accordingly.

- **Benefit Adjustment:** By adjusting other policy features, you may be able to reduce your premiums. These adjustments include lengthening your elimination period or shortening your overall maximum benefit period. The elimination period is the time after you would be otherwise eligible for benefits but before you begin to receive payments. Depending on your needs, these adjustments may provide a better alternative than reducing your daily maximum benefit.
- **Non-Payment Option:** If you find that you are unable or unwilling to pay any further premiums on your policy, Lincoln Benefit Life is offering a non-payment option to our long-term care customers. Under this option, if you choose not to pay any future premiums, instead of your policy lapsing and providing no future coverage, it will continue under its current terms, but benefits payable under the policy will be limited to an amount equal to the premiums you have paid into your policy, or 30 times the daily benefit on the rate increase effective date, whichever is greater. No further benefit increases will occur under any Benefit Increase Rider, if attached to the policy. This option will automatically be provided if your policy lapses for non-payment of premium within 120 days of the rate increase effective date. Claim benefits already paid before the date of lapse would be deducted from this amount.

If you would like information on alternatives to the policy changes specified on the enclosed Coverage Change Request Form, contact customer service at the number listed at the end of this letter. They will be able to provide you with more information on possible benefit adjustment alternatives and the premium impact.

If you choose to modify your coverage at this time, please complete the enclosed Coverage Change Request Form and return it to the indicated address by Month XX, 20YY. In doing so, you will ensure your requested changes are processed prior to Month XX, 20YY, the date on which the premium increase for your policy takes effect. If your Coverage Change Request Form is not received prior to Month XX, 20YY, your benefits will remain unchanged and your coverage will lapse if the increased premium is not received by the end of the grace period provided by your policy.

Should you wish to continue your policy at its current coverage level at the increased premium, you only need to pay the indicated premium when you are billed. No further action is required.

If you have questions about this letter, the premium increase, the attached Coverage Change Request Form or the options available to you, please contact our customer service associates at 888-503-8110, Monday through Friday, from 7 a.m. to 5 p.m. Pacific time.

Sincerely,

Lincoln Benefit Life Company

enc

LINCOLN BENEFIT LIFE

DATE

POLICY NUMBER

OWNER NAME
ADDRESS
ADDRESS

Coverage Change Request Form

If you elect to modify your existing coverage in order to offset the upcoming premium increase on your policy, please indicate as such below and return this form in the enclosed postage paid envelope to:

Lincoln Benefit Life Company
Long-Term Care Administrative Office
P.O. Box 4243
Woodland Hills, CA 91365-4243

To ensure that your requested changes are received and processed prior to the date upon which your premium increase takes effect, please return this form postmarked by Month XX, 20YY. If your Coverage Change Request Form is not received prior to Month XX, 20YY, your policy benefits will remain unchanged and your coverage will lapse if the increased premium is not received by the end of the grace period provided by your policy.

It is important that you make any policy changes after careful consideration of your personal needs and circumstances as you may not be able to increase your coverage in the future.

Please indicate your choice by checking one of the options below. If you do not check either option or do not return this form, there will be no changes to your policy other than the premium rate increase described in the attached letter. If you wish to discuss other options, please contact your agent or our office at 888-503-8110.

- Reduce my current daily benefit amount from \$xxx.xx to \$yyy.yy which will result in a [modal] premium of \$zzz.zz beginning with the premium payment which is due Month XX, 20YY. If your policy provides home and community based care benefits, that daily benefit is reduced accordingly.
- Exercise the Non-Payment Option. I understand renewal notices will still be sent to me.

Signature of Policyholder

Date Signed